

STATE OF COLORADO

DIVISION OF HOUSING

Kathi Williams, Director

STATE HOUSING BOARD MEETING
Centennial Building
1313 Sherman St., Denver, CO, Room 318
Tuesday, May 13, 2008



AGENDA

1:00 p.m.	Convene SHB Meeting - Approval of Minutes	Theo Gregory
	Director's Comments	Kathi Williams

Application Presentations

<u>Time</u>	<u>Project #</u>	<u>Project Name and Applicant</u>	<u>Presenters</u>
1:15 p.m.	08-051	Denver Housing Authority Park Avenue Redevelopment 4B	Doug Selbee / Andrea Davis
1:30 p.m.	08-055	Larimer County Down Payment Assistance Program	Denise Selders / Nina Baumgartner

Approval Process

1:45 p.m.	08-051	08-055
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Other Business

2:00 p.m.	Competitive Application Process Discussion	Rick Hanger / Autumn Gold
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Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Trang Van at (303) 866-5657 by May 12, 2008.

cc:	Susan Kirkpatrick	CHATS	Teresa Duran	Kathi Williams
	Rick Hanger	Lynn Shine	Steve Bernia	State Housing Board Members

STATE HOUSING BOARD MINUTES
Colorado Division of Housing
1313 Sherman St., Denver, CO, Room 318
Tuesday, April 8, 2008

BOARD MEMBERS PRESENT: Suzanne Anarde, Theo Gregory, Sally Hatcher, Gene Lucero (arrived after voting took place), Mike Rosser and Karen Weitkunat

BOARD MEMBERS ABSENT: Jack Kelly

DOH STAFF PRESENT: Kathi Williams, Shannon Picaso, Rick Hanger, Teresa Duran, Bill Whaley, Ryan McMaken and Trang Van

CALL TO ORDER: The meeting was called to order by Theo Gregory at 1:00 p.m.

APPROVAL OF MINUTES: Minutes of the March 2008 meeting were approved.

DIRECTOR'S COMMENTS

Update on the Division of Housing's Funds

- Community Development Block Grant (CDBG) funds - our fiscal year on CDBG runs April 1st to March 31st. We just received our most recent allocation, which was \$3,376,164. We have a back log of CDBG funds, funds that were received in prior years that we have not utilized. So our total available CDBG funds amounts to \$10,484,242. HOME funds are more flexible than CDBG because CDBG can only be used for non-entitlement areas with populations of 50,000 or less.
- HOME funds - can be used in entitlement and non-entitlement areas. Our current allocation from the Federal Government in HOME funds is \$6,536,527. We have funded the last \$6.5 millions of projects that were in crisis because of where the capital markets are and due to tax credit financing. The tax credit went from \$0.95 on the dollar down to \$0.75 on the dollar. We needed to get these projects awarded and funded so they could preserve their tax credit. So we have currently utilized our entire 2008 allocation of HOME funds.
- Housing Development Grant (HDG) funds - is the general fund we receive from the general assembly. Last year the general assemble granted DOH \$1.2 million in funds, which have all been expended. The requirement has generally been that you need to get HDG funds expended by June 30th of each year or they don't think that DOH needs the funds. We always have to award them very early because they don't consider them expended until it is awarded at the SHB, the contract is executed and a draw has been made on that contract. Basically the budget proposal from the Governor's office would have given us \$1.3 million, the Joint Budget Committee decided their recommendation would be that we receive \$2.2 million. These proposals have made it through the House, Senate and now are in the

conference committee. We still don't know what our July 1st allocation is going to be. At this time we don't have our 2008-2009 allocation, but we should know within the next 30 days what that allocation will be.

- Revolving Loan Fund - was given to the Division of Housing to lend out. As we lend out that money, the interest continues to build up that fund. We have approximately \$1.9 million in the RLF fund. This is not money to be granted instead it is money to be lent out and repaid.
- Program Income - sometimes when we do Down Payment Assistance programs we allow the grantee to keep the program income and in some cases we keep the program income. The program income that we have as of today that can be spent on projects is \$133,000.
- That is the overview of the available funding balances that the SHB will have to work with in terms of approving projects.

We are ranked 49th in the nation for our CDBG funding. We fell from 43rd in 2007 to 47th in the nation for our allocation of HOME funds. These rankings are determined by a formula. There are two factors that hurt us within this formula. The first thing is that our housing stock is newer than what you'd generally see on the east coast and part of the west coast. The second thing that hurts us is that most people don't realize that Colorado ranks 5th in the nation for income. We have some very wealthy people here who make a lot of money. The Federal philosophy on that is if your state has available income and big incomes, you should be funding and supporting your own housing program and it shouldn't be subsidized so much by the rest of the nation.

The housing challenges with funding and financing in Colorado are very difficult. It is exceptionally difficult when we start talking about entitlement areas. Examples of these entitlement areas include Denver, Colorado Springs, Boulder and Fort Collins that receive their own allocation of CDBG and HOME funds.

Keep in mind that 1st, 2nd, 5th and 6th Congressional Districts, those got money from the SHB and their own allocation. The folks in the entitlement areas are the most upset about DOH not having funds to give out for next year. However, we are no longer in the position of having enough federal and state funds to fund all the applications and requests that come to us. We will have to start going through a competitive process. We know the pipeline is always going to be greater than our amount of funds available. We will bring to the SHB next month some ideas about weights and values we want to put on the competitive process and how we want to operate with applications for HOME and General Funds from this point forward.

Our yearly funding has continued to decline. In 2004, we received \$13 million in CDBG and \$9 million in HOME, where our population wasn't as great and our demand wasn't as great. Now the line has crossed where the funds are diminishing and the demand has increased.

Update on Needs Assessments

Director Williams categorizes the process of the Needs Assessment:

- Tier 1** – When you offer to pay for their Needs Assessment, these people are the ones at the front of the line to get it done. They're excited to get things done and to start on their strategic planning process.
- Tier 2** – These are the people who want to know what and why this needs to be done. We've been making individual calls to county commissioners, county administrators and city managers trying to help them understand and to get their application in. Usually once they understand they're encouraged and willing to get their application in to start the process.
- Tier 3** – These include those who do not want government intervention or help in strategic planning. We're working on getting them to understand the value of the Needs Assessment, but it's going to take a little bit longer than what we had anticipated.

APPLICATIONS REVIEWED IN APRIL

**Luckenbill-Drayton Associates /
Montrose County Housing Authority (MCHA)
Sunshine Peak Annex**

Project Number: 08-044

Project Manager & Address: Lisa Drayton
PO Box 3879.
Apache Junction, AZ 85217
(480) 288-0528
(480) 288-0518 Fax
ldrayton@quest.net

Project Address: 748 Cedar Creek Avenue, Montrose, CO

Project Description: Luckenbill-Drayton Associates and the Montrose County Housing Authority are requesting a \$500,000 grant to construct 43 units of low-income family apartments in the City of Montrose. This is the second phase of a 91 unit development, which will use bank construction and permanent financing (6.15%, 30 year amortization), Low-Income Housing Tax Credits, and deferred developer fees. It will contain 1 one-bedroom, 1 two-bedroom and 1 three-bedroom unit at 30 % AMI, as well as 7 one-bedroom, 12 two-bedroom, and 2 three bedroom apartments affordable at or below 40% AMI. It will also contain 8 one-bedroom, 5 two-bedroom, and 6 three-bedroom units affordable at or below 50% AMI. The development will be located on 7 acres within one mile of employment, shopping, and schools, and will have benefit of a community center building of 1,600 square feet and manager's unit constructed in Phase I. At the end of the tax credit compliance period, MCHA will become the owner.

Staff Recommendation: Full Funding

Date of Meeting: April 8, 2008

Anarde	Full Funding	Lucero	Absent
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Absent		

The Board approved full funding for this project.

**Town of Fowler/Tri-County Housing and CDC
Down Payment Assistance Program**

Project Number: 08-048

Project Manager & Address: Ms. Ramona Stites
Tri-County Housing and Community Development Organization
P.O. Box 87
Fowler, CO 81039
(719) 263-5168
(719) 263-5460 fax
monie@tchcdc.org

Project Address: Various in Bent, Crowley, and Otero Counties

Project Description: The Town of Fowler, on behalf of Tri-County and Community Development

Corporation (TCHCDC) requests a \$61,880 grant to continue their existing down payment assistance program by providing a minimum of twenty (20) down payment assistance loans in Bent, Crowley, and Otero Counties over a two (2) year period. These grant funds will be used to provide low-interest down payment assistance loans and credit repair counseling to first-time homebuyers. Tri-County Housing and CDC provides the first-time homebuyer classes through their CHFA approved staff and services the loan portfolio. This Program is operated in accordance with the CDOH Down Payment Assistance Program Guidelines.

Staff Recommendation: Full Funding

Date of Meeting: April 8, 2008

Anarde	Full Funding	Lucero	Absent
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Absent		

The Board approved full funding for this project.

Revision of budget for Project #07-078

Accessible Space, Inc. - Greeley Supportive Housing

The applicant has requested that CDOH HOME funds of \$485,000 be re-allocated as follows:

\$20,167 for Offsite Infrastructure

\$58,294 for Developer's Fee

\$406,539 for Construction

The budget which was approved by the State Housing Board on August 14, 2007 showed our funds being allocated as follows:

\$104,900 for Architectural and Engineering

\$380,100 for Construction

Due to the fact that payment of the Architectural and Engineering costs will occur prior to our contract with ASI being in place, CDOH funds need to be re-allocated. The amount of the CDOH HOME grant has not changed. ASI is closing with HUD on their 811 funding at the end of May and needs to have an executed contract with CDOH in place prior to that closing.

- **This revision was done through e-mail.**
- **All board members were in favor**
- **All approved.**

OTHER BUSINESS

- **Teresa Duran – Approval of PHA Agency Plan**

- All Housing Authorities in the State completed PHA surveys to determine how many people were on their waiting lists.
 - Surveys are done every January
 -
- Throughout Colorado, there are 35,000 people on the waiting lists
 - Waiting lists have decreased yearly.
 - Many Housing Authorities have a lottery system rather than a wait list.
 - Others may close waiting lists due to limited funding.

- **All in Favor**
- **All Approved**

The meeting adjourned at 2:44 p.m.

MAY PRESENTATIONS

Name: Denver Housing Authority
Park Avenue Block 4B

Project Number: 08-051

Project Manager & Address:

Ismael Guerrero, Executive Director
The Housing Authority of the City and County of Denver (DHA)
777 Grant Street
Denver, CO 80203
720.932.3105

Contact Person:

Andrea Davis, Development Financial Analyst
The Housing Authority of the City and County of Denver (DHA)
777 Grant Street
Denver, CO 80203
720.932.3136

Project Address: 350 Park Ave. West, Denver, CO 80205

Project Description: The Housing Authority of the City and County of Denver requests a reallocation of \$705,500 from the *Lincoln Park 57 project to their Park Avenue 4B project. The funds would be used to cover new construction costs associated with Phase 4B of the Park Avenue Redevelopment Project. Block 4B is the fourth of five development phases of the Hope VI Park Avenue project(s). CDOH has previously contributed funds to the Park Ave 1B and 3B projects. The 4B projects consist of two wood frame buildings over concrete parking with 1, 2, and 3 bedroom layouts. Both buildings contain elevators and all the upper units have balconies. Amenities include washer/dryer, CAT 5 wiring and cable wiring. The unit mix is listed below; the HOPE VI configuration contains an income mix of market rate, affordable and public housing units.

** The Denver Housing Authority was awarded a CDOH grant of \$800,000 to purchase, rehabilitate and preserve the Lincoln Park scattered site, Section 8 project based property and the Section 8 projected based rental assistance. The scattered site property consists of 16 buildings covering 57 units, with 1, 2, 3, and 4 bedroom units all at 30% of AMI and 1 commercial building. The properties range from 509 sq ft to 1216 sq ft. with a mixture of single-family units, duplexes, townhomes and smaller apartment buildings built between 1885 and 1923. The property was at risk of foreclosure from the previous owner and loss of Section 8 assistance due to disrepair and inability to pass the HUD REAC assessment. The City of Denver requested DHA to purchase the property to preserve affordable units and the Section 8 assistance. This project went to the State Housing Board November of 2005, received an award letter January of 2006, and had a contract execution in September of 2007. DHA did not request a draw of funds for this project until the first quarter of 2008.*

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Denver County)
<u>CDOH HOME-Assisted Units</u> (2) 1BR, (2) 2BR	8	≤ 50% of AMI (\$35,850)
<u>Other Affordable Units</u> (12) 1BR, (13) 2BR (5) 3BR	30	<u>PHA Units</u> ≤ 40% of AMI (\$28,680)
(6) 1BR, (5) 2BR (2) 3BR	13	≤ 50% of AMI (\$35,850)
(6) 1BR, (7) 2BR (2) 3BR	15	≤ 60% of AMI (\$43,020)
<u>Market Units</u> (12) 1BR, (13) 2BR (2) 3BR	27	
<u>Total Units</u>	90	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition	0		0		committed
Appraisal & Market Study	15,500		15,500	Equity, mortgage, DHA	committed
Architect/Engineering	888,982		888,982	Equity, mortgage, DHA	committed
Building Permit & Tap Fees	200,000		200,000	Mortgage, DHA	committed
Construction	15,484,254	705,000	14,779,254	Equity, mortgage, DHA, HNDS	Committed/Pending
On-Site Infrastructure	0		0		
Landscaping	0		0		
Contingency	771,963		771,963	Equity, DHA	committed
Construction Loan Expenses	954,448		954,448	Equity, DHA	committed
Perm Loan Expenses	226,156		226,156	Mortgage	committed
Operating Reserve	406,433		406,433	Equity	committed
Developers Fee	1,628,401		1,628,401	Equity Dev Def Fee 796,852	committed
Marketing	50,000		50,000	Equity	committed
Totals	20,626,137	705,000	19,921,137		

PROJECT ASSESSMENT FOR Rental New Construction

Criteria	Project Data	DOH Range
Building Cost		
Cost/sq. ft./Unit Cost	\$136.57/Sq. ft. & \$241,456/Unit	\$120 - \$180
Hard Cost/Unit/Sq. Ft.	\$110.06/Sq. ft. & \$194,585/Unit	\$95 - \$140
Soft Cost/Unit/Sq. Ft.	\$26.51/Sq. ft. & \$46,871/Unit	\$25 - \$40
Hard/Soft Cost	81%/19%	
Land Cost	\$0 (DHA owned)	\$10,000 - \$18,000
Cost Effectiveness Rating		
DOH subsidy/unit	\$8,500	\$4,000 to \$10,000
Cost Person Rating	4 / \$2,196 / 40 years	1 to 10 Scale
Externality Rating	7	1 to 10 Scale
Rent Savings Rating	10 / 50%	1 to 10 Scale
Financial Leveraging Rating	10	1 to 10 Scale
Composite Score	31	
Operating Cost		
PUPA	\$3,902	\$3,700 to \$4,700
Debt Coverage Ratio	1.15*	1.10 to 1.20
Financial Commitments		
Terms of Primary Financing	CHFA; 3,700,000, 6.540%@35YRS	
P.V. Tax Credits	\$1.02 US Bank CDC	\$.85 to .95
DOH Requirements		
Priority	High Growth	
Eligibility Criteria	HOME, HDG, RLF Fund	
Other Criteria		
# of Fully Accessible Units	# & 5 Percent of Units	5% of Units Minimum
# of Visitable Units	#90 & 100 Percent of Units	All units Encouraged
# of Energy Star Units	# 90& 100 Percent of Units	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	yes	Follow Denver Water Board Recommendations
# of 30% Units	#30 & PHA units)Percent of Units	5% of Units Encouraged

* DHA loan cash flow only, not calculated in DCR

Comments:

- Management Capacity

Pro:

1. The Denver Housing Authority (DHA) was formed in 1938 and provided housing assistance to over 3,800 very low and low-income families. During the past 15 years, DHA has successfully completed numerous projects involving comprehensive rehabilitation & new construction of low-income housing financed by Capital Grant funds, HOPE VI and tax credit equity.

Con:

1. DHA has a previously funded CDOH project (Lincoln 57) which has had significant delays in implementation.

- Public/Private Commitment

Pro:

1. HUD has awarded DHA \$20 million in 2002 HOPE VI funding which must be expended by September 30, 2008. The project has presented in application is leveraged with a good variety of funds and partners. A letter of tax credit allocation is also in place.

Con:

1. The City of Denver (local PJ) has not yet made a commitment to funding for this project.

- Market Demand

Pro:

1. DHA Block 1B has been completed and leased up on time and has been successfully monitored by CDOH.
2. Lease up of the other HOPE VI projects have proceeded faster than original estimations.

Con: None.

- Explain Variances from ranges:

- None.

- Other Projects funded in Denver Since 5/07:

County AMI: \$71,700

- Trademark Communities--\$300,000
- Reserve at Gates--\$497,000
- Father Ed Judy House--\$170,000
- VOA Safe Haven--\$350,000
- VOA Lawrence Place--\$225,000
- Newsed-Jody Apts--\$500,000
- Empowerment-Mariposa House--\$245,170

- Other DHA funded projects since 5/07:

- DHA Park Ave 3B--\$490,000

Staff Recommendation: Full funding of this project at \$705,500 (HOME funds currently committed to DHA for 06-019 – Lincoln Park 57) with the following term; DHA agrees to complete 06-019 – Lincoln Park 57 per the original CDOH contract and use covenant terms (CDOH will provide the remaining \$94,500 HOME funds through the original open contract to this project) and that no additional CDOH funds will be provided for 06-019 – Lincoln Park 57 project completion.

Date of Meeting: May 13, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

Project Name: Park Avenue - Block 4B Spreadsheet directions are to the right --->
Date: 5/7/2008
Applicant: Denver Housing Authority **PAGE #1**
Spreadsheet Version: Application **Operating Proforma**

STABILIZED FIRST YEAR INCOME						EXPENSES	
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent		
1B/1Ba	Market	12	700	861	123,984	Administrative Expenses	
1B/1Ba	60%	6	700	743	53,496	Management Fee	43,011
1B/1Ba	50%	8	700	609	58,464	On-site Personnel Payroll	57,315
1B/1Ba	40%/PHA	12	700	377	54,261	Health Ins. & Benefits	29,513
2B/1Ba	Market	13	944	1,097	171,093	Legal & Accounting	1,984
2B/1Ba	60%	7	944	883	74,172	Advertising	11,710
2B/1Ba	50%	7	944	721	60,564	Office Supplies	984
2B/1Ba	40%/PHA	13	944	377	58,783	Telephone	
3B/2Ba	Market	2	1275	1,281	30,750	Audit	3,968
3B/2Ba	60%	2	1275	998	23,952	Other	
3B/2Ba	50%	3	1275	812	29,232	Total Administrative Expenses	148,484
3B/2Ba	40%/PHA	5	1275	377	22,609	Operating Expenses	
4B/3Ba	Market	0	1787	1,384	0	Utilities (owner paid)	70,866
4B/3Ba	60%	0	1787	1,096	0	Trash Removal	3,600
4B/3Ba	50%	0	1787	888	0	Fire & Liability Insurance	30,968
4B/3Ba	40%/PHA	0	1787	377	0	Other	
	Total units	90		Total Rent Income	761,360	Total Operating Expenses	105,434
	Total sq ft	79,660				Maintenance	
				Parking Income	0	Maintenance	54,275
				Laundry Income	0	Repairs	40,500
				Other Income	15,450	Grounds (inc. snow removal)	2,779
						Other	
				Total Income	776,810	Total Maintenance	97,554
	Vac. Rate	0.05		Less Vacancy	-38,841	Real Estate Taxes	0
				Effective Gross Income	737,970	Operating Reserve	
						Replacement Reserve	27,000
				DEBT SERVICE		TOTAL ANNUAL EXPENSES	378,472
				1st Mortgage	(312,273)	NET OPERATING INCOME	359,497
				2nd Mortgage	0	P.U.P.A. Expenses *	4,205
				3rd Mortgage	0		
				TOTAL DEBT SERVICE	(312,273)		
	BEP	90.73%		Poss D/S @ 1.1 DCR	326,816		
	BEP = Break Even Point			Project Debt Coverage Ratio	1.151		

5.65%

19.50%

unit avg. = 0

unit avg. = 300

* P.U.P.A = Per Unit Per Annum Expenses

BEP = Break Even Point

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

Name: Larimer County / Loveland Housing Development Corp.
Down Payment Assistance Program

Project Number: 08-055

Project Manager & Address:

Nina Baumgartner
CDBG Program Manager
Larimer County HHS Division
1525 Blue Spruce Dr.
Fort Collins, CO 80524
(970) 498-6875 telephone
(970) 498-6845 fax
nbaumgartner@larimer.org

Amy Irwin
Home Ownership Program Manager
Housing Authority of City of Loveland
375 W. 37th St., Suite 200
Loveland, CO 80538
(970) 635-5931 telephone
(970) 278-9904 fax
airwi@lovelandhsg.org

Project Photos:



Project Address: Various in Larimer County (outside of the City of Fort Collins)

Project Description: Larimer County requests a grant for \$738,600 on behalf of the Larimer Home Ownership Program (LHOP), which is administered by the Housing Authority of the City of Loveland (HACOL), in continuance of their existing down payment assistance program. These grant funds are for a two (2) year period and will be used to provide (seventy-eight) 78 low-interest loans to assist first-time buyers earning less than 80% AMI in the purchase of homes located in non-entitlement areas of Larimer County. Fort Collins operates its own program within the city limits. Neighbor to Neighbor (N2N) in Fort Collins provides a HUD and CHFA certified homebuyer education class which is required of all buyers. N2N also provides pre- and post-ownership counseling to buyers, as well as a Mortgage Default Counseling Program.

TWO-YEAR PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Home Mortgages Leveraging Estimate	\$13,650,000		\$13,650,000	Mortgage Lenders	Pending
Down Payment Assistance	\$780,000	\$590,000	\$175,000 \$15,000	Program Income Colorado Association of Realtors Housing Opportunity Fund (CARHOF), City of Loveland, Local Lenders	Committed Pending
Program Administration (Indirect Costs)	\$78,160	\$30,008	\$48,152	Housing Authority of City of Loveland (HACOL) (in-kind)	Committed
Project Administration (Direct Costs)	\$121,092	\$118,592	\$2,500	Larimer County (in-kind)	Committed
Homebuyer Education	\$1,800		\$1,800	Neighbor to Neighbor (in-kind)	Committed
Totals	\$14,631,052	\$738,600	\$13,892,452		

STAFF ALLOCATION PLAN

Staff Position	Total Salary & Fringe	% of Time Home Ownership	% of Time Home Improvement	% of Time Development	% of Time Other Programs	% of Time TOTAL
Program Manager	\$67,653	20%	38.5%	32%	9.5%	100%
Development Director	\$125,458	2.4%	2.4%	88%	7.2%	100%
Director of Finance	\$141,333	2.4%	2.4%	92.2%	3%	100%
Acctg. Staff #1	\$31,560	10%	10%	0%	80%	100%
Acctg. Staff #2	\$70,325	4%	2.4%	4.8%	88.8%	100%
Acctg. Staff #3	\$53,900	2%	3.5%	3.6%	90.9%	100%
Acctg. Staff #4	\$89,983	6%	5%	4%	85%	100%
Acctg. Staff #5	\$54,521	4.8%	4.3%	3.6%	87.3%	100%
Totals	\$634,733	\$34,996				

PROJECT ASSESSMENT FOR DOWNPAYMENT ASSISTANCE

Criteria	Project Data	DOH Range
(a) Down Payment Financing		
Value of Current Loan Portfolio	\$1,192,952	
Total # of Loans in Portfolio	125	
# of Deferred Loans in Portfolio	10	
Value of Loans Deferred until Sale or Transfer	\$133,818	Up to 50% (100% can be deferred up to 5 yrs)
Annual Program Income	\$96,000	
Total # of New Loans	78	
New Loans from Program Income	19	
New Loans from CDOH Grant	59	
Homebuyers Equity	\$1,000 minimum	\$500 minimum
Maximum CDOH Loan Amount	\$10,000 avg. / \$25,234 max.	4.5% - 8.5% of FHA Limit
Loan Terms & Rates	2% amortized for 10 years	
Market		
Qualifying Household Income	\$37,500 to \$60,000	50%-80% AMI, 4 people
# of Affordable Homes For Sale	327 below \$200,000 219 below \$175,000	Affordable at 80% AMI
Average price of homes for sale	\$268,165	
Max. Purchase Price of Homes	\$296,875	95% of FHA Limit FHA limit for Larimer County is now \$312,500
# of Applicants on Waiting List	No waiting list since loans are processed quickly.	
Geographic Distribution of Projects vs. Population	Loveland Area – 41% pop, 50% loans Fort Collins Area – 13% pop, 20% loans Wellington – 4% pop, 18% loans Larimer City – 42% pop, 12% loans	
Program Operations		
Administrative Cost/New Loan	\$1,282/loan based upon actual cost	\$300 – 500 per new loan or actual admin cost
CDOH Funding Eligibility	CDBG, HOME, HDG	

Comments:

- **Management Capacity**

Pro:

1. The Housing Authority of the City of Loveland (HACOL) has operated the Larimer Home Ownership Program (LHOP) since 1997 and has provided down payment assistance loans to over 510 families. This program is currently averaging 3 new DPA loans per month and expects an increase in demand because of the number of homes on the market. HACOL also runs a successful SFOO Rehab program for Larimer County.
2. Neighbor to Neighbor (N2N), a HUD & CHFA certified housing counseling agency, provides both pre-purchase and post-purchase training to first-time home buyers in the LHOP program. N2N also provides a Mortgage Default Counseling Program.

Con: None.

- **Public/Private Commitment**

Pro:

1. The City of Loveland CDBG, CARHOF, Larimer County, and Neighbor to Neighbor have committed funds or in-kind services to this project. In addition, the Housing Authority of the City of Loveland provides office space, computer usage, receptionist services, general office equipment, accounting services, utilities, postage and mileage costs to LHOP.
2. LHOP also receives in-kind support from local lenders and Realtors (marketing).

Con: None.

- **Market Demand**

Pro:

1. In 2007, the median sales price of detached/attached single-family homes in the Loveland/Berthoud area of Larimer County was \$239,419, which is a 46.4% increase from that of \$163,500 in 2000. There are currently 327 homes for sale in Larimer County priced under \$200,000 and 219 homes priced below \$175,000. The average purchase price for homes in the LHOP program is \$151,832 and the average DPA loan amount is \$10,000.
2. Demand for this Program has increased greatly in the past year partially due to the lack of other down payment assistance funds such as the Nehemiah program and the cessation of 80% - 20% loan financing programs.
3. The LHOP program also provides DPA loans for Section 8 to Homeownership clients with disabilities.

Con: None.

- **Explain Variances from Ranges:** None.

Other projects funded in Larimer County since 4/07:

- 7/07 – Town of Estes Park/Housing Needs Assessment, grant \$ 44,000
- 5/07 – Accessible Space, Inc./Fort Collins Supportive Housing, grant \$500,000
- 5/07 – Accessible Space, Inc./Fort Collins Supportive Housing, GEO E\$P grant \$ 15,333

Other projects funded for Larimer County (as applicant) since 4/07:

- 12/07 – Larimer County/Homeownership Program (DPA), grant \$175,000

- 5/07 – Larimer County/Emergency Shelter Grant, grant \$ 92,153
- 4/07 – Larimer County/Homeownership Program (DPA), grant \$200,000

Larimer County AMI: \$75,000

Staff Recommendation: Full Funding

Date of Meeting: May 13, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			